(b) if so, the details of said policy; and

(c) the reasons for which NHAI is not maintaining the Jaipur-Delhi Road (NH-8) to the prescribed standard?

THE MINISTER OF ROAD TRANSPORT AND HIGHWAYS (SHRI KAMAL NATH): (a) and (b) The maintenance of existing roads is carried out by the contractors/Concessionaires as part of their obligations under contract/concession agreement to keep the existing roads in traffic worthy condition. In case of sections entrusted to NHAI where, 4/6 laning has not yet started, the maintenance of existing roads is carried out by the NHAI directly or through State Public Works Departments (PWDs). Maintenance of completed highways is generally carried out through Operation & Maintenance Contracts.

(c) NHAI has awarded concession rights to M/s. ETA Dubai-KMC, Joint Venture (JV) for 6 laning of existing 4 lane highway between Gurgaon and Jaipur on NH 8 (total length 225.60 km). As per concession agreement M/s. ETA Dubai-KMC, JV has taken up maintenance of said stretch from 03.04.2009 (appointed date). Concessionaire has already taken up maintenance activities and started addressing all issues/grievances received regarding maintenance. NHAI has directed the concessionaire to keep the stretch in traffic worthy condition as per the prescribed standards.

Effect of economic slowdown on Indian textiles industry

*373. SHRI RAJEEV SHUKLA:

DR. T. SUBBARAMI REDDY:

Will the Minister of TEXTILES be pleased to state:

(a) whether Indian textiles industry has been badly affected by global economic slowdown;

(b) if so, details of affected textile mills across country;

(c) whether slowdown has derailed its efforts to significantly increase its global market share through planned technology and capacity expansion;

(d) if so, whether a separate package, containing fiscal and non-fiscal steps, was vital to support industry's efforts to raise job levels and share in global market;

(e) if so, to what extent the present budget would help industry to grow;

(f) whether all demands of the sector have been considered; and

(g) if so, the details thereof?

THE MINISTER OF TEXTILES (SHRI DAYANIDHI MARAN): (a) There is a marginal decline in exports and production of textile items as per details given below:

Year	Exports	Production	
	(in billion US$)	Yarn	Cloth
		(million kg.)	(in million square meter)
2006-07	19.14	5,184	53,389
2007-08	22.13	5,512	56,025
2008-09	18.52	5,328	54,966
(Provisional)	(April – February)	(April – March)	(April — March)
% age decline*	5.31	3.34	2.07

(*in 2008-09 over corresponding period of 2007-08)

(b) A list of forty textiles mills that have closed down on account of reported financial and labour problems during the period May 2007 to January 2009 is given in the Statement (*See* below). However, these problems cannot be attributed to the global economic slowdown, per se.

(c) and (d) The industry and the Government are working in close cooperation to counter the adverse impact of the economic slowdown. The Government announced two stimulus packages on 7 December, 2008 and 2nd January, 2009 to boost exports, arrest the impact of economic slow down and to improve liquidity. These measures/packages have helped to meei the situation to a great extent and have helped build a positive sentiment in the domestic textiles industry. The industry is in an upbeat mood to upgrade technology, modernise and expand capacities. The measures announced under the above two stimulus packages, *inter alia*, include:-

i) Additional allocation of Rs.1400 crore under the Technology Upgradation Fund Scheme (TUFS) during 2008-09. Further, in the Union Budget 2009-10, an allocation of Rs.3140 crore has been announced under TUFS;

ii) Across-the-board cut of 4% in the ad-valorem Cenvat rate till 31.3.2009.

iii) Interest subvention of 2% upto 31.3.2009 subject to a minimum of 7% per annum on pre and post-shipment export credit (since extended to 31.03.10 in the Union Budget 2009-10).

iv) Provision if additional funds for full refund of Terminal Excise Duty/Central Sales Tax.

v) Enhanced back-up guarantee to Export Credit Guarantee Corporation (ECGC) to cover for exports to difficult markets/products.

vi) Refund of Service Tax on foreign agent commissions of upto 10% of FOB value of exports as well as refund of service tax on output service while availing benefits under Duty Drawback Scheme.

vii) Credit targets of Public Sector Banks revised upward to reflect the needs of the economy.

viii) State Level Bankers Committee would hold meetings for resolution of Credit issues of Medium, Small & Micro Enterprises (MSMEs).

ix) Guarantee cover under Credit Guarantee Scheme doubled to Rs. 1 crore with cover of 50%.

x) Duty Entitlement Pass Book rates restored to pre-November, 2008 levels and extended till 31.12.2009.

xi) Duty Drawback on knitted fabrics enhanced retrospectively from 1.9.2008.

(e) to (g) Successive Union Budgets since 2004-05 onwards have accorded a special attention to the textiles sector. The announcements made in Budget 2009-10 are also growth oriented for the textiles sector. The Plan and Non-Plan allocation for the Ministry of Textiles have been substantially enhanced and the fiscal measures duly take into account almost all demands of the textiles sector. The Textiles specific budget announcements are as follows:-

Budget Outlays

(1) Central Plan outlay enhanced to Rs,4500 crore from Rs.4092 crore which is the largest ever allocation for the Textiles Sector so far. Out of this, Technology Upgradation Fund Scheme

provided Rs.3140 crore, Scheme for Integrated Textiles Parks provided Rs.397 crore, Rs.340 crore for Handlooms and Rs.220 crore for Handicrafts Schemes.

Five Mega Clusters.

(2) One handloom mega cluster each in West.Bengal and Tamil Nadu and one powerloom mega cluster in Rajasthan, new mega clusters for carpets in Srinagar and Mirzapur (UP).

Direct Taxes-Benefit to Exporters.

(3) Adjustment Assistance Scheme to provide enhanced Export Credit and Guarantee Corporation cover at 95% - extended upto March, 2010.

(4) Allocation for Market Development Assistance Scheme enhanced to Rs.124 crore.

(5) Interest subvention of 2% on pre-shipment credit extended beyond current deadline of 30th September, 2009 to March, 31, 2010.

(6) Sun-set clauses for deduction in respect of export profits under sections 10A and 10B of Income Tax Act extended by one more year

(7) Fringe Benefit Tax abolished.

Service Tax

(8) Two taxable services, namely, 'Transport of Goods through Road' and 'Commission paid to Foreign Agents' exempted from the levy of Service Tax, if the exporter is liable to pay Service Tax on reverse charge basis. However, present cap of 10% on commission agency charges is retained. Thus, there would be no need for the exporter to first pay the tax and later claim refund in respect of these services.

(9) For other services received by exporters, Service Tax exemption for operation through the existing refund mechanism based on self-certification of the documents where such refund is below 0.25 per cent of FOB value, and certification of documents by a Chartered Accountant for value of refund exceeding the above limit.

(10) Export Promotion Councils and the Federation of Indian Export Organisation (FIEO) exempted from Service Tax on the membership and other fees collected by them till 31st March 2010.

Customs Duty

(11) Customs Duty on cotton waste and wool waste reduced from 15%to 10% **Excise Duty.**

(12) Excise Duty on man-made fibre and yarn increased from 4% to 8%.

(13) Excise duty on PTA and DMT increased from 4% to 8%.

(14) Excise Duty on man-made and natural fibres other than pure cotton beyond the fibre and yarn stage increased from 4% to 8% under the existing optional scheme – will ease the problem of credit accumulation.

(15) An optional excise duty exemption provided to tops of man-made fibre manufactured from duty paid tow at par with tops manufactured from duty paid staple fibre.

(16) Suitable adjustments have been made in the rates of duty applicable to Domestic Tariff Area clearances of textiles goods made by Export Oriented Units using indigenous raw materials/inputs for manufacture of such goods.

Statement

Details of Cotton/Man-made Fibre Textile Mills (Non-SSI) closed as on 30-4-2009 & during last two years

S.No.	Mill No.	Mill Name	State	Closure Date	Reason
1	2	3	4	5	6
May-07 to April-08					
1	0813009	Sai Lakshmi Ind. P Ltd	Karnataka	1-May-2007	Financial Problem
2	1713141	Sri Mappilai Vinayagar Spinning Mills	Tamil Nadu	I-Jun-2007	Financial Problem
3	1713174	Sri Man1cka Vinayagar Spinning Mills	Tamil Nadu	I-Jun-2007	Financial Problem
4	1523219	JCT Ltd	Rajasthan	3-Jul-2007	Labour Problem
5	1713277	Suraksha Bharthi Mill P Ltd	Tamil Nadu	1-Aug-2007	Financial Problem
6	0821101	Minarva Mills Ltd	Karnataka	I-Sep-2007	Financial Problem
7	1713073	Sree Narayana Textiles P Ltd	Tamil Nadu	I-Sep-2007	Financial Problem
8	0813077	Dodballapur Spinning Mills P Ltd	Karnataka	20-Sep-2007	Financial Problem
9	1713180	Vetri Spinning Mills P Ltd	Tamil Nadu	1-Oct-2007	Financial Problem
10	1713495	Aravind Spinners (P) Ltd	Tamil Nadu	I-Oct-07	Financial Problem
11	1613660	Vishnu Lakshmi Mills	Tamil Nadu	11-Oct-2007	Financial Problem
12	1713727	Sree Visalakshmi Mills P Ltd	Tamil Nadu	1-Nov-2007	Financial Problem
13	1713461	Kathirvel Textiles P Ltd	Tamil Nadu	6-Nov-2007	Labour Problem
14	1713791	Minar Textile Industries Ltd	Tamil Nadu	22-Nov-2007	Financial Problem
15	0813010	Lalji Manekji Ind. Ltd.	Karnataka	1-Dec-2007	Financial Problem
16	1913001	Sham Ken Spinners Ltd (EOU)	Uttar Pradesh	12-Dec-2007	Financial Problem
17	0613007	Matta Yarn	Haryana	15-Dec-2007	Financial Problem
18	1613832	Tamarai Mills Ltd (The CBE Kamala Mills)	Tamil Nadu	I-Jan-2008	Financial Problem

1	2	3	4	5	6
19	1312001	Gopinath Weavers Co-Op Spg. Mills	Orissa	2-Jan-08	Financial Problem
20	1713280	Priyadarshini Fabs Ltd	Tamil Nadu	14-Jan-08	Financial Problem
21	1613470	K. Sivasubramaniam Spinners P Ltd	Tamil Nadu	13-Mar-2008	Labour Problem
22	1613588	Naina Mohamed Spinning Mills (P) Ltd	Tamil Nadu	20-Mar-2008	Financial Problem
23	0613006	K. K. Spinners Pvt Ltd	Haryana	31-Mar-2008	Financial Problem
24	0523083	Navsari Cotton & Silk Mills Ltd.	Gujarat	1-Apr-2008	Financial Problem
25	1713010	Namakkal Cotton Mills P Ltd	Tamil Nadu	1-Apr-2008	Financial Problem
26	0913003	Thanikudam Bhagawati Mills Ltd	Kerala	9-Apr-2008	Financial Problem
				Total	
May-08 to April-09					
1	1613194	Prashanth Textiles Ltd	Tamil Nadu	31-May-2008	Financial Problem
2	0613019	Aggarsain Spinner Ltd.	Haryana	1-Jul-2008	Financial Problem
3	1713171	Sri Rathtnagiri Spinning (P) Ltd.	Tamil Nadu	27-Aug-08	Financial Problem
4	1713044	Sri Vinayagaa Textiles(Unit of Balaji Modern)	Tamil Nadu	15-Sep-08	Labour Problem
5	0413336	Hathising Mfg. Co. Ltd	Gujarat	1-Oct-2008	Financial Problem
6	0613958	Mahalakshmi Spinners Ltd	Haryana	1-Oct-2008	Financial Problem
7	1713367	Archana Spinners Ltd	Tamil Nadu	1-Oct-2008	Financial Problem
8	0613027	Mittal Cot-Fab (P) Ltd	Haryana	18-Oct-2008	Financial Problem
9	1613907	The Suguna Mills Pvt. Ltd	Tamil Nadu	24-Oct-2008	Labour Problem
10	0613039	Sunheri Cotton Spinners (P) Ltd	Haryana	1-Nov-2008	Financial Problem
11	0411036	Ahmedabad New Textiles Mills	Gujarat	23-Dec-2008	Financial Problem
12	0613045	Sahil Industries (P) Ltd	Haryana	31-Dec-2008	Financial Problem
13	0423009	Neptune Spin Fab Limited	Gujarat	1-Jan-2009	Financial Problem
14	1613187	Sri Narendrara Raja Textiles Ltd	Tamil Nadu	1-Jan-2009	Financial Problem